

**GOVERNMENT OF INDIA
POWER
LOK SABHA**

STARRED QUESTION NO:15

ANSWERED ON:02.02.2017

Power purchased by Industrial Consumers via Open Access

Reddy Shri Konda Vishweshwar

Will the Minister of POWER be pleased to state:

- (a) whether the Electricity Act, 2003 and rules framed thereunder provide healthy competition including open access and if so, the details thereof;
- (b) the details of States and State power utilities, which have ventured into open access of electricity;
- (c) the details of total power purchased by industrial consumers during the last two years via open access;
- (d) the details of industrial sectors which have bought the most quantum of power through open access during the last two years; and
- (e) the steps taken by the Union Government to promote sale of power via open access?

Answer

THE MINISTER OF STATE (INDEPENDENT CHARGE) FOR POWER,
COAL, NEW & RENEWABLE ENERGY AND MINES

(SHRI PIYUSH GOYAL)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (e) OF STARRED QUESTION NO.15 TO BE ANSWERED IN THE LOK SABHA ON 02.02.2017 REGARDING POWER PURCHASED BY INDUSTRIAL CONSUMERS VIA OPEN ACCESS.

(a) : Yes, Madam. The Electricity Act, 2003 and rules framed thereunder provide healthy competition including open access. The generation of electricity has been delicensed under Section 7 and captive generation has been permitted without any license under Section 9 of the Act. Open access has been defined in Section 2(47) of the Electricity Act, 2003 as the "Non-Discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation in accordance with the regulations specified by the Appropriate Commission." Further, Section 66 of the Electricity Act, 2003 empowers Appropriate Commission to develop the power market, including trading, to promote healthy competition. Also, in compliance with the provisions of Section 63 of the Electricity Act, 2003, Union Government has issued Guidelines for procurement of power by DISCOMs through the competitive bidding process.

(b) : Implementation of open access at intra-state level remains the responsibility of respective State Electricity Regulatory Commissions/Joint Electricity Regulatory Commissions (SERCs/JERCs). In accordance with the provisions of the Electricity Act, 2003, the Appropriate Commission frames relevant regulations regarding open access in Transmission and Distribution. As per the information available with the Forum of Regulators (FOR) Secretariat, all the SERCs/JERCs have framed regulations on open access.

(c) : As per the information compiled by Central Electricity Authority (CEA), the total power purchased by industrial consumers in day ahead market from Indian Energy Exchange (IEX) and Power Exchange of India Limited (PXIL), during the last two years i.e. 2014-15 and 2015-16 is 12.526 Billion Units and 20.362 Billion Units respectively. The state-wise details as received from IEX and PXIL and compiled by CEA are given at Annex.

(d) : As per information made available by CEA, the two sectors, metal and textile sectors combined, have purchased 56% & 58% of the total power purchased through open access route by industrial sector during the year 2014-15 and 2015-16 respectively.

(e) : Electricity is a concurrent subject. The responsibility of promoting and facilitating open access rests with the concerned SERCs/JERCs. However, Ministry of Power facilitates, through various policies under National Electricity Policy and Tariff Policy, to create suitable environment for enabling regulations to provide healthy competition including open access in the power sector.
